

## Message Text

LIMITED OFFICIAL USE

PAGE 01 GEORGE 00577 241343Z

42

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 AGR-05 TAR-01 IO-10 L-02 H-02 /104 W

----- 028207

R 231759Z APR 75

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 1118

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY PORT OF SPAIN

AMEMBASSY KINGSTON

AMEMBASSY LONDON

LIMITED OFFICIAL USE GEORGETOWN 0577

DECONTROL ON RECEIPT

E.O. 11652: N/A

TAGS: EAGR, ETRD, GY

SUBJECT: GUYANA SUGAR EXPORT EARNINGS REMAIN HIGH DESPITE STRIKE

REF: (A) GEORGETOWN 030; (B) GEORGETOWN 465; (C)GEORGETOWN 530

1. ALTHOUGH RECENT SUGAR STRIKE COST INDUSTRY SOME 40 TO 50 THOUSAND LONG TONS PRODUCTION WHICH PROBABLY WILL NOT RPT NOT BE RECOVERED, OVERALL EFFECT ON SHIPMENTS HAS BEEN MINIMAL. INDUSTRY HAS MANAGED TO MEET ALL CONTRACTS THUS FAR, MOST OF WHICH ARE AT LUCRATIVE PRICES NEGOTIATED IN LATE 1974 OR EARLY 1975.

2. INDUSTRY SOURCES PREDICT MAXIMUM 1975 PRODUCTION WILL BE 340,000 LT'S ASSUMING NO RPT NO FURTHER LABOR PROBLEMS. THIS ESTIMATE IS PROBABLY OPTIMISTIC GIVEN ALMOST CERTAIN 30,000 TO 40,000 LT SHORTFALL IN SPRING CROP AND ADDITIONAL 10,000 LT LOSS OF AUTUMN CANE DUE TO NEGLECTED IRRIGATION DURING RECENT STRIKE. NEVERTHE-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GEORGE 00577 241343Z

LESS, BECAUSE OF HIGH PRICES, INCLUDING UK/EEC CONTRACT, EMBASSY

ESTIMATES GUYANA WILL EARN AT LEAST US DOLS 177 MILLION IN SUGAR EXPORTS THIS YEAR (LOW ESTIMATE WHICH ASSUMES TOTAL PRODUCTION OF 295,000 LT'S AND EXPORTS OF 265,000 LT'S) AND PERHAPS AS MUCH AS US DOLS 201 MILLION (HIGH ESTIMATE ASSUMING TOTAL PRODUCTION OF 340,000 LT'S AND EXPORTS OF 310,000 LT'S). THIS COMPARES TO PRODUCTION OF 340,000 LT'S IN 1974 AND 265,000 LT'S IN 1973 AND EARNINGS OF US DOLS 108MILLION IN 1974 AND US DOLS 37 MILLION IN 1973.

3. WHILE SUGAR CROP PREDICTION HERE IS QUITE RISKY, IT IS INTERESTING TO NOTE THAT INDUSTRY NEED ONLY DO TWO/THIRDS AS WELL AS IT DID LAST YEAR FOR THE SAME REMAINING PERIOD OF THE SPRING CROP IN ORDER TO EXCEED THE 100,000 LT LEVEL. SUCH PERFORMANCE WOULD ENABLE GUYANA TO MEET MOST OF ITS SPRING UK/EEC COMMITMENT ON TIME AND STILL PROVIDE ADEQUATE AMOUNT OF SUGAR FOR LOCAL CONSUMPTION. ON LATTER POINT THERE IS LIKELY TO A REAL SHORTAGE (AS OPPOSED TO THAT CAUSED BY HOARDING) LOCALLY FOR THE NEXT SEVERAL WEEKS BECAUSE OF BOOKERS AND GOG'S DETERMINATION NOT TO RISK DEFAULT ON LUCRATIVE EXPORT CONTRACTS. FOR EXAMPLE, ONE EXPORT CONTRACT WHICH WAS NEGOTIATED AT RECORD PRICE OF US DOLS 1,460 PER LT IS DUE FOR DELIVERY BY MAY. LOCAL INDUSTRY OFFICIAL SAYS CONTRACT WILL BE HONORED EVEN IF IT REQUIRES SWEEPING EVERY GRAIN OFF WAREHOUSE FLOOR. IT WOULD INDEED BE MORE ECONOMICAL FOR GUYANA TO IMPORT THE EQUIVALENT OF THIS CONTRACT (9,500 LT'S ) TO MEET DOMESTIC NEEDS THAN TO LOSE THE EXPORT EARNINGS. FOR PRESTIGE REASONS, HOWEVER, GOG WOULD AVOID SUCH A MOVE AND CHOOSE TO LET LOCAL CONSUMER DO WITHOUT FOR A WHILE. LOCAL RETAILERS IN THE MEANTIME HAVE IMPOSED THEIR OWN RATIONING SYSTEM TO COPE WITH DEMAND.

4. IN VIEW OF THIS REDUCED ESTIMATE OF SUGAR EARNINGS, REF (A) SHOULD BE AMENDED ACCORDINGLY TO INDICATE CURRENT ACCOUNT SURPLUS OF US DOLS 18 TO 42 MILLION INSTEAD OF 60 MILLION ORIGINALLY ESTIMATED. GUYANA STILL IS LIKELY TO MAINTAIN RECORD FOREIGN RESEVES THROUGHOUT THE YEAR DESPITE SETBACK IN SUGAR PRODUCTION.  
KREBS

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, EXPORTS, PRODUCTION DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975GEORGE00577  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750144-0379  
**From:** GEORGETOWN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750425/aaaaaxlq.tel  
**Line Count:** 96  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 GEORGETOWN 030, 75 GEORGETOWN 465, 75 EORGETOWN 530  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUN 2003 by ShawDG>; APPROVED <10 NOV 2003 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GUYANA SUGAR EXPORT EARNINGS REMAIN HIGH DESPITE STRIKE  
**TAGS:** EAGR, ETRD, GY  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006